

STATE OF GEORGIA

COUNTY OF FULTON

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of November, 1995, by and between the City of Atlanta, a municipal corporation, hereinafter referred to as "City," and PEOPLE TV, INC., hereinafter referred to as "Center."

WITNESSETH

WHEREAS, the City wishes to designate the Center to operate public access, and the Center is willing to undertake such operation; and

WHEREAS, this agreement was authorized by resolution of the Council of the City of Atlanta on September 18, 1995, and approved by the Mayor on September 24, 1995, a copy of which is attached hereto as Exhibit A and made a part hereof by reference.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

1.0 DEFINITIONS

Meanings. For the purpose of this Agreement, the following terms, phrases, words, abbreviations and their derivations shall have the meaning given herein.

1.1 "Access cablecasting time" means any and all time on any and all channels now or hereafter provided or managed by the Center for access cablecasting in the City of Atlanta.

1.2 "City" means the governing authority of the City of Atlanta or such employee, department, office, board or commission authorized to act in its behalf.

1.3 "Mayor" means the Mayor of the City of Atlanta, or such employee, department, office, board, or commission of the City of Atlanta designated to act in his or her behalf.

1.4 "Non-resident" means any person whose legal residence is located outside the jurisdictional boundaries of the City of Atlanta, and any organization which is neither domiciled within, nor maintains an office within, the jurisdictional boundaries of the City of Atlanta.

1.5 "Production Facilities" means any channel, studio, vehicle, equipment, furnishings or other property which the Center owns or the Company is to provide under this Agreement, the Franchise Agreement, or any other federal, state, or local law, for use in connection with the production and cablecasting of public access programming and operations of the public access center(s).

1.6 "Public Access" means the system under which members of the public have access to cable television or other communication technology in order to communicate their noncommercial activities, opinions and ideas subject to applicable law and this Agreement.

1.7 "Public Access Channel" means any channel designated or dedicated for use by the general public or noncommercial organizations which is provided to the City by the Franchisee at no charge to the City or the programmers of the channel.

1.8 "Resident" means any person whose legal residence is located within the jurisdictional boundaries of the City of Atlanta, and any organization which is either domiciled within, or maintains an office within, the jurisdictional boundaries of the City of Atlanta.

1.9 "Videotape Master" means the final videotape-edited version of a producer's completed program, encoded with the appropriate identifying slate, bars and tone, for cablecasting. All future copies are derived from this finished product.

1.10 Other Terms. All other terms in this Agreement shall be defined as having the same meaning as in the Agreement between the City and its Franchisee to provide a cable communications system to the residents of the City, dated January 1, 1995 hereinafter referred to as the "Franchise Agreement."

2.0 PURPOSE AND SCOPE OF AGREEMENT.

2.1 Purpose. The parties hereto agree that the purpose of this Agreement is to provide for the management of day-to-day operations of the public access production facilities in the City.

2.2 Scope. This Agreement shall apply to all production facilities dedicated to public access, as now or later established pursuant to this Agreement.

2.3 Limitations on use. It is understood and agreed that public access provided for herein is for non-profit, noncommercial purposes and for the production of programming to be cablecast on the public access channel. Programming material and copies thereof which are produced using the production facilities of the Center shall not, subsequently, be commercially distributed in any manner without the prior written permission of the Center.

2.4 Use by Residents and Non-Residents. It is understood and agreed that the production facilities and services are intended primarily for use by residents, and that non-residents may use the production facilities and services only after residents are accommodated and as provided for in Section 3.17.2 (Charges to Non-Residents) herein.

3.0 ROLE AND OBLIGATION OF THE CENTER

3.1 Compliance with Federal, State, and Local Laws. The Center shall comply with all applicable federal, state and local laws, rules, regulations, and policies.

3.2 Board of Directors. The Board of Directors of the Center shall consist of five (5) directors appointed by the Mayor, six (6) appointed by City Council, one (1) appointed by the cable franchisee, and up to nine (9) elected by the Board. At no time shall the Board consist of less than seven members. All Board members shall be and shall remain residents of the City of Atlanta. The by-laws of the Center shall be consistent with the provisions herein.

3.3 Operation of Public Access. The Center shall operate public access on a nondiscriminatory and reasonable basis, and to the extent that the fulfillment of other purposes of this Agreement allow it, the Center may operate based upon the principle of first-come, first-served.

3.4 Center's Rules and Regulations. The Center shall promulgate rules and regulations for the administration of its production facilities and its operations which are nondiscriminatory and reasonable and consistent with the policies set forth herein. The Center will periodically provide the Mayor with a copy of its rules and regulations, as they may be revised from time to time.

3.5 Not an Agency. The Center is not, nor shall it be deemed to be, or hold itself out to be, a department or operating agency of the City.

3.6 Disclaimer. The Center shall display with reasonable frequency on each operating public access channel, and with reasonable prominence in all of its facilities and on all of its brochures and publications the following message:

" The Center is an independent, non-profit community organization which operates public access in Atlanta. The Center is not an agent or affiliate of the City of Atlanta or the Cable Operator."

3.7 The Center shall not allow its public access channels to be used for the presentation of:

- (1) Any material which promotes the sale of commercial products or services, or any material which in whole or in part depicts, demonstrates, or discusses products, services, or businesses with the intent or effect of benefitting or enhancing profit-making enterprises.
- (2) Any advertisement or other information concerning any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme;
- (3) Any direct or indirect solicitation of funds for any reason except as specified in Sections 3.18.1 and 3.18.2 below;
- (4) Any material which is obscene, indecent, or defamatory; or
- (5) Any material which would violate any federal or state statute, law, or regulation.

3.8 Warranty By Producers. The Center shall require all persons who produce programming to sign an agreement holding the Center, its Board of Trustees, officers and employees, the City of Atlanta and the Cable Operator harmless for program content, and a written warranty that the program they are submitting does not contain:

- (1) Any material which promotes the sale of commercial products or services, or any material which in whole or in part depicts, demonstrates, or discusses products, services, or businesses with the intent or effect of benefitting or enhancing profit making enterprises.
- (2) Any advertisement or other information concerning any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme;
- (3) Any direct or indirect solicitation of funds for any reason;

- (4) Any violation of any state or federal law relating to obscenity or indecency;
- (5) Any material that is libelous, slanderous or an unlawful invasion of privacy;
- (6) any use of material which violates copyright law;
- (7) Any material which would otherwise violate any federal or state statute, law, or regulation.

3.9 Termination of Use of Production Facilities. The Center shall have the right to limit, terminate, or suspend the use of production facilities by any person who uses such production facilities to produce programming of a nature prohibited under Section 3.7 herein, or who fails to abide by reasonable rules of the Center.

Should the Center delete proposed public access programming, or terminate use of production facilities by a resident with or without the consent of that resident, the Center shall give prompt written notice of such action to the Mayor, stating the name of the person and the reason for such action.

The Center shall notify any resident considering himself or herself to have been improperly denied the use of any production facilities that he or she may notify the Mayor after following the established complaint procedures of the Center.

3.10 Staff. The Center shall maintain in employment the number of persons necessary for running public access, and shall adopt fair and reasonable written personnel policies.

The Center shall encourage its employees to reside within the City of Atlanta and to have a deep involvement in civic affairs and neighborhoods within the City of Atlanta.

The Center shall employ at least one full-time staff member whose fundamental responsibility is to increase public access participation by non-profit community groups and organizations domiciled in the City of Atlanta.

The primary role of the Center staff shall be to facilitate public access participation by individuals and organizations which reside or are domiciled in the City of Atlanta, rather than to produce the Center's own programming.

The Center may produce public access programs on behalf of a diversity of non-profit groups and organizations domiciled in the City of Atlanta, but shall charge fees for said services as provided for under Section 3.17.5 (Non-Profit Organization Services). Such programs may include, but are not limited to, community forums, call-in shows, or documentaries featuring such groups.

3.11 Size and Location of Access Studios. The Center shall provide, furnish and maintain production facilities for access cablecasting and program productions as it deems necessary for prudent operation. Center facilities shall be located at a site (or sites) accessible to the community, including the handicapped community.

3.12 Equipment for Public Access Cablecasting and Production. The Center shall maintain in good and workable condition equipment sufficient for the programming of at least one public access channel and for the operation of its studios.

The Center shall set reasonable standards for the qualifications required of persons using public access production facilities. Said standards shall be nondiscriminatory and shall reflect the interest of all users in protecting production facilities from damage and prolonging its useful life.

3.13 Videotape Master. The Center may require, in its discretion, for quality control purposes, that producers using the Center's production facilities use a new videotape as the videotape master of each of their programs, and the Center may further require that said videotape master remain on the premises of the Center until the program has been cablecast twice, after which it shall be returned to the producer upon request. The Center shall have the right to make copies of the videotape master for archival purposes.

The Center may also require, in its discretion, for quality control purposes, that said new videotape be acquired by producers through the Center, and the Center may, in its discretion, charge producers an amount not to exceed its cost for the new videotape.

Notwithstanding the above, the producer shall remain responsible for the content of the tape as warranted in accordance with Section 3.8 (Warranty by Producers) herein.

3.14 Technical Standards. All programming shall meet the minimum technical standards for the cablecast of material set forth in Exhibit A, attached hereto and made a part hereof by reference. The Center may refuse to cablecast material not meeting such standards.

3.15 Training and Certification

3.15.1 Training. The Center shall offer regularly scheduled workshops, seminars and other instructional programs on the use of the Center's production facilities. These training programs shall include, but not be limited to, introductory and advanced workshops, location and studio production, and editing.

3.15.2 Certification. The Center shall give regularly scheduled tests to certify persons to use production facilities at times convenient to the general public. The Center may periodically re-certify persons to operate newly acquired equipment.

3.16 Community Development, Outreach, and Recruitment

3.16.1 Community Groups. The Center shall place the highest priority on promoting and facilitating the use of public access by a diversity of non-profit community groups and organizations domiciled in the City of Atlanta. To that end, at the same time that the Center adopts its annual budget, it shall adopt a "Community Participation Action Plan" designed to maximize public access participation by non-profit community groups and organizations domiciled in the City of Atlanta. Said plan shall include goals and objectives, criteria for success, methods for implementation, performance measures, and annual targets, such as that set forth in Exhibit B, by way of example. The Action Plan shall also include actual performance data and an evaluation of the previous year's Community Participation activities and performance. The Action Plan shall be submitted to the City within ten (10) days following adoption.

3.16.2 Publicity. The Center shall use its best efforts to publicize and promote public access and otherwise encourage residents to use the facilities. The Center shall publish a periodic access newsletter to be made available to access users and the public generally, no less than three (3) times a year.

3.16.3 Any resident notifying the Center of his or her wish to express himself or herself on the public access channel will, consistent with the rules and regulations of the Center, be granted five minutes on camera,

and the use of the Center's technical personnel for the production of said five-minute program.

3.17 Fees

3.17.1 Generally. Except as specifically provided for in Section 3.17.3 and 3.17.4 (User Fees) and Section 3.17.5 (Non-Profit Organization Services) the Center may not charge residents for the use of production facilities, access cablecasting time, playback services, or normal production assistance by the Center's employees.

3.17.2 Charges to Non-residents. The Center shall charge non-residents who use public access reasonable fees for the use of the Center's production facilities and services. Nothing herein shall prohibit the Center from charging non-residents more than residents for similarly provided production facilities and services.

3.17.3 User Fees. The Center shall charge reasonable fees for the following purposes:

- A. Reproducing, at cost, one or more copies of a user's program; provided that such copies shall not be commercially distributed;
- B. Replacing or repairing, at cost, of any facilities which are lost or damaged for which the Center may require damage deposits or mandatory purchase of insurance coverage;
- C. Providing workshops, seminars, and instructional programs for a reasonable fee which is no more than the cost of operation;
- D. Providing materials, equipment or services which are not generally made available by the Center.
- E. Charging reasonable fines for the late return of borrowed access materials and equipment.
- F. Providing interactive data retrieval services

3.17.4 Discretionary User Fees.

The Center may charge reasonable fees for the following purposes:

- A. Using high-end equipment
- B. Reserving production facilities

- C. Annual Membership Fees
- D. Videotape Master at cost as provided for in Section 3.13 (Videotape Master)

3.17.5 Non-Profit Organization Services. The Center shall charge reasonable fees on a sliding scale to produce public access programs on behalf of a diversity of non-profit groups and organizations domiciled in the City of Atlanta. Such programs shall be cablecast on the public access channel a minimum of two times. The Center shall establish uniform rules and procedures for providing such production services, which may include compensation to non-Center staff.

3.17.6 Other Fees. From time to time the Center may modify the user fees listed above in Section 3.17.3 (User Fees) 3.17.4 (Discretionary User Fees) and Section 3.17.5 (Non-Profit Organization Services) with the prior concurrence of the Mayor or his or her designee.

3.18 Underwriting and Fundraising

3.18.1 Nothing herein shall prohibit the Center from using a reasonable amount of channel time for fundraising for the Center itself.

3.18.2 Nothing herein shall prohibit the cablecasting of a reasonable number of announcements of fundraising events for non-profit organizations, so long as the style and placement of said announcements are consistent with the rules and procedures of the Center.

3.18.3 The Center and public access users may, and are encouraged to, seek grants, sponsorships, underwriting and other kinds of financial support for programming and other activities consistent with non-profit purposes, in compliance with the policies and procedures, rules and regulations adopted pursuant to Section 3.18.4

The Center may seek joint grants with other organizations desirous of using the Center's resources.

Nothing in this Agreement shall be construed to prohibit the inclusion of appropriate credits in programming to granting agencies, sponsors, underwriters and financial supporters.

3.18.4 No later than March 31, 1996 the Center shall adopt policies and procedures, rules and regulations, for the Center and public access users to seek, accept and acknowledge grants, sponsorships,

underwriting and other kinds of financial support, and for non-profit organizations to announce fundraising events.

3.19 Indemnification. The Center shall indemnify and hold the City and its officers, agents and employees harmless against any and all claims of any kind or character resulting from negligent acts or omissions of the Center or its officers, agents or employees, or resulting from the failure of the Center to perform any of its obligations hereunder or to comply with any of the terms hereof.

3.20 Insurance and Bonding. The Center shall observe sound business practices with respect to securing such bonding and insurance as would provide adequate coverage.

3.20.1 Premises Liability Insurance. The facilities within which the activities described in this Agreement are conducted, and the employees conducting these activities, shall be covered by premises liability insurance, commonly referred to as "Owner/ Tenant" coverage, with the City named as an additional insured.

3.20.2 Workers' Compensation. The Center will comply with workers' compensation statutes and will obtain applicable employers liability coverage, and other appropriate liability coverage for program participants if applicable.

3.20.3 Insurance for Vehicles. The Center will maintain adequate and continuous liability insurance on all vehicles owned, leased or operated by the Center. All employees of the Center who drive a vehicle during the normal scope and course of their employment must possess a valid Georgia driver's license and liability insurance. Evidence of the employee's current possession of a valid license and insurance must be maintained on a current basis in the Center's files. This requirement may be waived only if the Center elects to maintain such coverage for its employees, who shall, in any case, be in possession of a valid Georgia driver's license.

3.20.4 Bonding. The Center shall obtain a fidelity bond covering all persons handling funds received or disbursed and/or signing or cosigning checks to disburse funds under this Agreement within thirty (30) days following the receipt of any funds authorized pursuant to this Agreement. The fidelity bond shall be in the amount of one-fourth (1/4) of the total amount scheduled to be received by the Center during the term of that bond in accordance with §4.2.1 herein. The fidelity bond shall be written for a term of one year, and renewed from year to year so long as the above-referenced payments are being made. The Center shall furnish the City proof of an adequate fidelity bond after the first payment of funds pursuant to this

Agreement.

3.21 Equal Employment Opportunity (EEO) and Equal Business Opportunity (EBO). The Center shall comply with all applicable equal employment opportunity, affirmative action, and equal business opportunity laws or regulations of the City of Atlanta, including §5-5154 and §5-5174 of the City Code or Ordinances, incorporated by reference herein.

3.22 Purchasing. The Center shall develop and implement policies and procedures for purchasing goods and services that ensure the most competitive prices. Said procedures shall include the following:

- (1) Any single purchase in excess of \$1,000 and less than \$20,000 will require three written quotes. If the same item is to be purchased more than twice a year the written quotes may be obtained once annually.
- (2) Any purchases of \$20,000 or more will require advertisement and competitive bidding.
- (3) If the Center clearly establishes that a particular product or service can be purchased only from one source or that an emergency situation exists, requirements (1) and (2) above may be suspended.
- (4) The City's Office of Contract Compliance list of certified MBE/FBE will be used to identify potential vendors.

3.23 Annual Access Operation Budget. The Center shall adopt an annual budget no later than December 31 of the preceding year and shall transmit copies of said budget to the Mayor within ten (10) days following adoption. Each annual budget adopted must provide sufficiently for the fulfillment of all requirements of this Agreement and of applicable law. Said budget shall not exceed the total sum set out in Section 4.2 (Funding) herein, plus 2% of said sum to allow for other revenues anticipated, but not yet received.

The annual budget shall include a separate line item for equipment maintenance. Said line item shall increase annually to accommodate greater maintenance costs as the equipment ages.

In the event the Center receives any money, income or revenue from any other source, by gift, grant, underwriting, sponsorship, promotion, imposition of fees or otherwise, the Center may allocate immediately such revenues for any lawful purpose authorized by this Agreement.

3.24 Accounting for Funds. The Center must maintain separate numbered and insured accounts for the receipt and disbursement of all funds received pursuant to this Agreement. The Center further agrees that said

accounts shall be maintained, under conditions approved by the Chief Financial Officer of the City of Atlanta, in a financial institution, with federal deposit insurance coverage, and the balance, if any, exceeding the federal deposit insurance coverage shall be collaterally secured.

3.25 Records.

3.25.1 Record System. The Center agrees to maintain records that will provide accurate, current, separate, and complete disclosure of the status of the funds received. The Center's record system shall contain sufficient documentation to provide in detail full support and justification for each expenditure. Nothing in this Section shall be construed to relieve the Center of fiscal accountability and liability under any other provision of this Agreement or any applicable law.

3.25.2 Record Retention. The Center agrees to retain all books, records, documents, reports, and written accounting policies and procedures pertaining to its operations and expenditures of funds received pursuant to this Agreement for five years following the calendar year in which such books, records, documents and other written reports are made.

3.25.3 Accessibility of Records. At any reasonable time and as often as the City may deem necessary, the Center shall make available to the City, or to any of its authorized representatives, all of its records related to all matters covered by this Agreement and shall permit such authorized representatives to audit, examine, make excerpts and copies of such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to matters covered by this Agreement.

3.25.4 Inventory. The Center shall safeguard and account for all public access production facilities and shall maintain complete written records of same. A physical inventory of all production equipment shall be taken annually.

3.26 Reports and Information.

3.26.1 Annual Audit. The Center shall have, at its own expense, an annual audit. A complete set of audited financial statements, an auditor's opinion and management letters shall be submitted to the Mayor within 90 days following the end of each fiscal year of the Center.

3.26.2 Annual Report. No later than forty-five (45) working days after the end of each fiscal year of the Center, the Center shall submit to

the Mayor an annual performance report, which shall include the information in Exhibit C, attached hereto and incorporated by reference, and such other summaries of operations as the Mayor may require.

3.26.3 Budget. The Center shall submit to the Mayor its annual budget as provided for in Section herein.

3.26.4 Community Participation Action Plan. The Center shall submit to the Mayor its Community Participation Action Plan as provided for in Section 3.16.1 herein.

3.26.5 Additional Reports. The City may require from the Center such additional reports as it deems necessary.

3.27 Directors' Meetings. During the term of this Agreement, the Center shall cause to be delivered to the Mayor copies of all notices of meetings of its Board of Trustees, setting forth the time and place thereof. Such notice shall be delivered to the Mayor in a timely manner to give adequate notice and shall also include an agenda and a brief description of the matters to be discussed. Minutes of all meetings of the Center's Board of Trustees shall be submitted to the Mayor within (15) working days of the Board's approval.

3.28 Notification of Action Brought. In the event that any claim, demand, suit or legal action is made or brought by any person(s), firm, corporation, or other entity against the Center, the Center shall give written notice thereof to the City within five (5) working days after being notified of such claim, demand, suit or other action. Such notice shall state the date and hour of notification of any claim, demand, suit or other action; the names and addresses of the person(s), firm, corporation or other entity making such claim, or that instituted or threatened to institute any type of action or proceeding; the basis of such claim, action or proceeding; and the name of any person(s) against whom such claim is being made or threatened. Such written notice shall be delivered either personally or by mail to the City.

3.29 Restriction on Conveyances. During the term of this Agreement the Center shall not, without the prior written consent of the Mayor, which consent shall not be unreasonably withheld, sell, convey, or lease all or a substantial part of such assets as are transferred to, leased, or may be purchased by, the Center using funds acquired under this agreement.

3.30 Long Term Debt. Without the prior written consent of the Mayor, which consent shall not be unreasonably withheld, the Center shall

not assume debt for a time period exceeding the duration of the term of this Agreement.

4.0 ROLE AND OBLIGATION OF THE CITY

4.1 Enforcement of Franchise Agreement. The City agrees to enforce all provisions of its cable communications franchise agreement which pertain to public access.

The City agrees to make available to the Center a reasonable number of the unsold advertising avails which are made available to the City by the Franchisee under Section 11.8.1 of the Franchise Agreement. The City further agrees to require the Franchisee to undertake the publicity activities specified in Section 18.8 of the Franchise Agreement for the benefit of the Center.

4.2 Funding.

4.2.1 Operations. The City agrees to designate the Center as the non-profit entity to receive \$500,000 annually, increased quarterly for inflation based upon the amount paid the previous quarter, as provided for under Section 11.4 of the Franchise Agreement, between the City of Atlanta and GCTV Sub 2 Corporation (a Subsidiary of Southern Multimedia Communications, Inc.)

4.2.2 Initial Equipment. Based on the Center's equipment acquisition proposal as reviewed and approved by the City, the City agrees to direct the Franchisee to provide the Center with \$900,000 of the monies designated for initial equipment and for facilities renovation for government and public access under Section 11.3 of the Franchise Agreement. Said monies shall be for initial equipment of similar purpose to that described in Exhibit D, attached hereto, and incorporated by reference, and for facilities renovation undertaken at the discretion of the Center.

4.2.3 Replacement Equipment. The City agrees to direct the Franchisee to provide the Center with \$650,000 of the monies designated for replacement equipment for government and public access under Section 11.3 of the Franchise Agreement. No later than September 30, 1997, or at a later date acceptable to both parties, the Center shall submit to the City for review and approval a proposal for replacement equipment. Such approval shall not be unreasonably withheld.

4.2.4. Process for Equipment and Facilities Funding. The Center will provide the City with a schedule of equipment prepared for

request-for-quote or advertising purposes, and a cost estimate for said equipment; and, the written quote which is recommended for any facilities renovations. Within 14 days of receipt the City shall review the information submitted and provided that said information complies with Section 4.2.2 (Initial Equipment) or Section 4.2.3 (Replacement Equipment) the City shall request from the Franchisee the funds required by the Center. In accordance with Section 11.3 of the Franchise Agreement, the City shall ensure that the Franchisee shall provide requested funds to the Center within thirty (30) days after the City has delivered to the Franchisee such schedule of equipment and renovation costs.

In the event that the City determines that the information submitted does not comply with Section 4.2.2 or Section 4.2.3 the City shall inform the Center of specific inconsistencies within 14 days of receipt. The parties agree to use best efforts to resolve inconsistencies in a timely manner.

4.3 Channels. The City agrees to designate the Center to use one public access channel on the cable system, and may designate additional channels for the Center's use provided that channels are available and the Center demonstrates sufficient need and resources to program them.

4.4 Use of the Facilities During the Olympics. The Center has the right to negotiate a revenue-producing arrangement(s) for the use of the Center's production facilities and personnel between July 1, 1996, and August 31, 1996, for purposes associated with the Olympics and the Paralympics. Any such revenue-producing arrangement(s) shall be subject to the City's approval, which approval shall not be unreasonably withheld. The City and the Center shall divide equally the net revenue from any such arrangement(s) which shall be determined as follows. Gross revenue shall be defined as all monies, equipment or services received by the Center in compensation for the use of its production facilities and personnel. Net revenue shall be defined as the gross revenue derived from the arrangement(s) minus a four-percent- (4%) of-gross-revenue fee payable to either the City or the Center whichever brings to the table a prospect(s) with whom an agreement is reached; minus a six-percent-(6%)-of-gross-revenue fee payable to whichever party negotiates successfully any such arrangement(s); minus all other deductible expenses directly attributable to the arrangement(s). Deductible expenses include, but are not limited to, costs of any special equipment rentals, security needs, wages and salaries of Center employees in excess of those budgeted for fiscal year 1996, attorney's fees, advertising, telephone, travel, and all reasonable expenses related to promoting the Center's facilities and securing the arrangement(s). All ordinary operational expenses of the Center, which would be incurred with or without any special revenue-producing arrangement(s), shall not be

deductible from the gross revenue to determine the net revenue.

4.5 Monitoring and Evaluation. The City may perform on-site monitoring of the Center's performance, and evaluate activities to ensure adherence by the Center to the provisions of this Agreement. The Center agrees to cooperate with the City in such monitoring and to designate one of its staff members to coordinate the monitoring process as requested by any authorized representative of the City.

4.6 Non-Waiver of Performance. In no event shall any act or failure of the City or the Mayor to insist in any one or more instances upon the terms and conditions of this Agreement constitute or be construed in any way to be a waiver by the City of any breach of covenant or default which may then or subsequently be committed by the Center.

4.7 In no event shall the City be obligated or authorized to edit, censor, delete, or control in any way, the content of programming cablecast on the public access channel.

5.0 DURATION OF THE AGREEMENT

The term of this Agreement shall be through and including December 31, 1999. The parties may renew this Agreement upon the same terms and conditions contained herein for two additional five-year terms, provided that each such additional term is authorized by legislation adopted by the City Council, and approved as provided in the City Charter. Between January 1, 1999, and February 28, 1999, and during the first 60 days of the fifth year of subsequent terms, the City and People TV shall initiate a review and discussions about the performance of People TV under the agreement, the efficacy of the terms, conditions, and policies of the agreement, and the future operations of public access. The Mayor shall notify the Center no later than 60 days prior to the end of the term whether the City plans to renew, not renew, or modify the agreement. Any modifications to the agreement or the exercise of a nonrenewal option shall require approval of the City Council.

6.0 TERMINATION OF THE AGREEMENT

6.1 For Default. In the event the Center defaults or fails to perform or is unable or incapable of performing any material covenant, agreement or guarantee of this Agreement, or fails to make substantial use of the channel capacity of at least one channel of the cable system designated for the use of public access programming, the Mayor shall give notice of such default to the Center and if same is not cured within 60 days of receipt of such

notice, the City shall have the right to terminate this Agreement. In addition, the Center shall be deemed to be in default in the event the Center is unable to conform to requirements of federal, state or local law or federal, state, or local regulations, as they may be amended, or in the event the Center violates any law or regulation to which the Center is bound or shall be bound under the terms of the Agreement. Notwithstanding any provisions of this Agreement, the Center shall not be deemed to be in default or to have breached this Agreement if such alleged default or breach arises from the failure of the Company to make available the annual access budget pursuant to the franchise agreement to the extent that such failure prevents the Center's performance hereunder.

6.2 Interim rights of City. Nothing provided herein shall prevent the City, in the event of any default by the Center or termination of this Agreement, from taking any reasonable steps to preserve and maintain the production facilities for the use of a successor to the Center.

6.3 Automatic Termination. The City may terminate this Agreement without prior notice, or opportunity of the Center to cure, for any of the following reasons:

6.3.1 Appointment of a trustee, receiver, or liquidator for all or a substantial part of the Center's property, or institution of bankruptcy, reorganization, reassignment of or liquidation proceedings by or against the Center;

6.3.2 The commission of an act of bankruptcy;

6.3.3 Notice by the federal Internal Revenue Service of the loss of, or failure to attain, the Center's tax exempt status.

6.4 Effective Date. The City shall promptly notify the Center in writing of the decision to terminate, and the effective date of the termination, which date shall be no less than 60 days following the date such notification is postmarked by the United States Postal Service.

6.5 Termination by Center. The Center may, at any time, terminate this Agreement for convenience, or upon the dissolution of the Center organization not occasioned by a breach of this Agreement, by giving at least sixty (60) calendar days' notice in writing to the City, and by assigning all applicable property interests to the City as required by Section 6.7 below.

6.6 Outstanding obligations. Upon receipt of notice to terminate, the Center shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts which relate to the performance of this Contract. The City shall not be liable to the Center or the Center's creditors for any expenses,

encumbrances or obligations whatsoever, incurred after notice is given of the termination date.

6.7 Disposition of assets. Upon the expiration of, or termination of this Agreement by any party for any reason, and except as restricted by federal law, which shall supersede this subsection to the extent of any conflict, the Center shall transfer to the City its ownership or leasehold interests in any production facilities acquired through monies received from the Company pursuant to this Agreement, effective as of the date of expiration or termination.

6.8 Liability for damages. Notwithstanding any exercise by the City of its right of termination, the Center shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Agreement by the Center.

7.0 Miscellaneous

7.1 Notices. All notices from the Center to the City pursuant to this Agreement shall be sent to the Director of the Office of Marketing and Communications and to the Cable Franchise Coordinator at:

City of Atlanta
Atlanta City Hall
Suite 2500
55 Trinity Avenue, S.W.
Atlanta, Georgia 30335

All notices from the City to the Center pursuant to this Agreement shall be sent to the President of the People TV Board of Directors and the General Manager of the Center at:

People TV, Inc.
190 14th Street, N.W.
Atlanta, Georgia 30318

By giving written notice thereof, either party may during the term of this Agreement change their designated recipients of notices and respective addresses.

7.2 Compliance with State and Federal Laws and inconsistent Requirements. Notwithstanding any other provision of this Agreement to the contrary, the Center shall at all times comply with all laws and

regulations of the state and federal government or any administrative agency thereof; provided, however, if any such state or federal law or regulation shall require the Center to perform any service, or shall prohibit the Center from performing any service, in conflict with the terms of this Agreement or of any law or regulation of the City, then as soon as possible following knowledge hereof, the Center shall notify the City of the point of conflict believed to exist between such regulations or law and the laws and regulations of the City or of the provisions of this Agreement, and the parties agree to make good-faith efforts to resolve the conflict.

7.3 Separability. If any section, subsection, sentence, clause, phrase or word of this Agreement is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such section, subsection, sentence, clause, phrase or word shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

7.4 Entire Agreement. This Agreement, together with referenced exhibits and attachments, constitutes the entire agreement between the parties hereto, and any prior agreement, assertion, statement, understanding, or other commitment antecedent to this Contract, whether written or oral, shall have no force or effect whatsoever; nor shall any agreement, assertion, statement, understanding, or other commitment occurring during the term of this Contract, or subsequent thereto, have any legal force or effect whatsoever unless properly executed in writing and if appropriate, recorded as an addendum to, or amendment of, this Contract.

7.5 City's Obligations. It is understood and agreed by the Center that this Agreement shall not become binding on the City, and the City shall incur no liability upon same until this Agreement has been executed by the Mayor and delivered to the Center.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day first above written.

ATTEST

Phonda Daughin Johnson
Municipal Clerk
DEPUTY CLERK

CITY OF ATLANTA

[Signature]
Mayor

APPROVED:

Steven Bullock
Chief of Staff

APPROVED:

[Signature]
Deputy Chief Financial Officer

RECOMMENDED

[Signature]
Chief, Office of Marketing
and Communications

APPROVED AS TO FORM:

[Signature]
Deputy City Attorney

ATTEST:

[Signature]
By:

PEOPLE TV, INC.

[Signature]
President